

ENTERED 998
WRITING 1

NO. 96-31380

NATURAL RESERVES GROUP, INC.,

Plaintiff

v.

BAKER HUGHES, INCORPORATED; BAKER
SERVICE TOOLS, a Division of BAKER
HUGHES PRODUCTION TOOLS, INC. n/k/a
BAKER HUGHES OILFIELD OPERATIONS, INC.;
BAKER SAND CONTROL, a Division of BAKER
HUGHES OILFIELD OPERATIONS, INC.;
EASTMAN CHRISTENSEN DRILLING SYSTEMS,
which changed its name to EASTMAN
TELECO COMPANY which merged with HUGHES
CHRISTENSEN COMPANY which merged with
BAKER HUGHES MINING TOOLS, INC.,
n/k/a BAKER HUGHES DRILLING
TECHNOLOGIES, INC. which merged with BAKER
HUGHES PRODUCTION TOOLS, INC., n/k/a
BAKER HUGHES OILFIELD OPERATIONS, INC.;
BAKER OIL TOOLS, INC. n/k/a BAKER HUGHES
OILFIELD OPERATIONS, INC.; EASTMAN
TELECO COMPANY which merged with HUGHES
CHRISTENSEN COMPANY which merged with
BAKER HUGHES MINING TOOLS, INC. n/k/a
BAKER HUGHES DRILLING TECHNOLOGIES,
INC. which merged with BAKER HUGHES
PRODUCTION TOOLS, INC., n/k/a BAKER
HUGHES OILFIELD OPERATIONS, INC.;
TRI-STATE OIL TOOLS, INC.; and MILCHEM,
INC. d/b/a MILPARK DRILLING FLUIDS,

Defendants.

IN THE DISTRICT COURT OF

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DISTRICT CLERK
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HARRIS COUNTY, TEXAS

190TH JUDICIAL DISTRICT

DEFENDANTS' ORIGINAL ANSWER

Defendants, who are referred to in Plaintiff's Original Petition as "Baker Hughes,
Incorporated; Baker Service Tools, a Division of Baker Hughes Production Tools, Inc. n/k/a/ Baker
Hughes Oilfield Operations, Inc.; Baker Sand Control, a Division of Baker Hughes Oilfield
Operations, Inc.; Eastman Christensen Drilling Systems, which changed its name to Eastman Teleco
Company which merged with Hughes Christensen Company which merged with Baker Hughes

Minning Tools, Inc., n/k/a Baker Hughes Drilling Technologies, Inc. which merged with Baker Hughes Production Tools, Inc., n/k/a Baker Hughes Oilfield Operations, Inc.; Baker Oil Tools, Inc. ⁹⁹⁴
n/k/a Baker Hughes Oilfield Operations, Inc.; Eastman Teleco Company which merged with Hughes ⁹⁹²
Christensen Company which merged with Baker Hughes Mining Tools, Inc. n/k/a Baker Hughes Drilling Technologies, Inc. which merged with Baker Hughes Production Tools, Inc., n/k/a Baker Hughes Oilfield Operations, Inc.; Tri-State Oil Tools, Inc; and Milchem, Inc. d/b/a Milpark Drilling ⁹⁹² ⁹⁹¹ ⁹⁹⁰
Fluids" [sic.] (hereinafter referred to as the "Baker Hughes Defendants"), file this answer to the petition of Plaintiff, Natural Reserves Group, Inc. ("NRG"), as follows:

1. Pursuant to Rule 85 of the Texas Rules of Civil Procedure, the Baker Hughes Defendants assert a plea in abatement with respect to all but four of the Defendants as the rest of the Defendants are not proper parties to this lawsuit. As evidenced by "Group Exhibit A" to Plaintiff's Original Petition, NRG signed confidentially agreements only with Eastman Christensen Drilling Systems, Baker Service Tools, a division of Baker Hughes Production Tools, Inc., Baker Sand Control, and Baker Service Tools. Contrary to the assertions of NRG, these entities could not bind any of the other Baker Hughes Defendants and they are not proper parties to this action.

2. Pursuant to Rule 85 of the Texas Rules of Civil Procedure, the Baker Hughes Defendants specially except to Paragraph 12 of Plaintiff's Original Petition in that it fails to provide a sufficient description of "NRG's Proprietary Information." The Baker Hughes Defendants cannot properly prepare their defenses in this case without a sufficiently detailed description of such alleged

proprietary information. The Baker Hughes Defendants respectfully request that NRG be required to replead to provide such a description.

3. Baker Hughes specially excepts to Paragraph 18 of Plaintiff's Original Petition. This paragraph again fails to provide enough detail to allow the Baker Hughes Defendants to adequately prepare their defenses. Specifically, that paragraph alleges "approximately 15 meetings" between NRG and the Baker Hughes Defendants "which were attended by a total of approximately 26 Baker Hughes employees." This paragraph fails to identify the dates of such meetings and further fails to identify the Baker Hughes employees involved. The Baker Hughes Defendants request that NRG be required to replead to include this information in the petition.

4. The Baker Hughes Defendants specially except to Paragraph 31 of Plaintiff's Original Petition in that it fails to allege with specificity how NRG discovered on March 23, 1995 that the Baker Hughes Defendants had purportedly violated the terms of their agreements with NRG and had purportedly misappropriated NRG's Proprietary Information. NRG should be required to replead to state specifically how it made this alleged discovery on March 23, 1995, and why it did not make such discovery at an earlier date. Without this information, the Baker Hughes Defendants cannot adequately prepare their defenses in this case.

5. The Baker Hughes Defendants specially except to Paragraph 40-42 of Plaintiff's Original Petition alleging misappropriation. Specifically, these paragraphs fail to identify the alleged NRG Proprietary Information misappropriated by the Baker Hughes Defendants, and further fail to state when this alleged misappropriation occurred. Without this information, the Baker Hughes

Defendants cannot adequately prepare their defenses in this case. NRG should be ordered to replead to include this information.

6. The Baker Hughes Defendants also specially except to Paragraphs 43-51 of Plaintiff's Original Petition in that these paragraphs fail to state with specificity the reasons why NRG believes the Baker Hughes Defendants owe NRG a fiduciary duty, or a duty of good faith and fair dealing. NRG should be required to replead to fully identify the documents giving rise to such duties, if any, or to provide a more specific description of why the relationship between NRG and Baker Hughes would give rise to such duties. Unless NRG is required to replead in this regard, Baker Hughes cannot adequately prepare its defenses.

7. The Baker Hughes Defendants specially except to Paragraphs 52-56 relating to NRG's allegations of fraud, because the pleading fails to specify what false representations were made, the date of such representations, the person(s) to whom such representations were allegedly made, and the person(s) allegedly making such representations. The Baker Hughes Defendants respectfully request that NRG be ordered to replead to specifically state the nature and extent of their fraud claims, and the dates and persons involved in these claims. Without this information, Baker Hughes is not able to adequately prepare its defenses.

8. The Baker Hughes Defendants specially except to Paragraphs 57-59 of Plaintiff's Original Petition relating to allegations of fraudulent concealment as these allegations are not sufficiently specific to give notice of this claim. NRG fails to specify the person or persons involved in the alleged fraudulent concealment, and further fails to specify the date or dates on which this

alleged fraudulent concealment began. Without this information, Baker Hughes cannot adequately prepare its defenses.

9. Baker Hughes specially excepts to the allegation of a conspiracy in Paragraphs 63-65 of Plaintiff's Original Petition. NRG fails to specifically outline which of the Baker Hughes Defendants allegedly conspired, if any, and further fails to identify any third parties involved in such an alleged conspiracy. Without such information, Baker Hughes cannot adequately prepare its defenses, and NRG should be required to replead in this regard.

10. The Baker Hughes Defendants further specially except to Plaintiff's Original Petition in that it fails to specify the maximum amount claimed from the Baker Hughes Defendants. Pursuant to Rule 47 of the Texas Rules of Civil Procedure, Baker Hughes respectfully requests an order from this court requiring NRG to amend so as to specify the maximum amount claimed from the Baker Hughes Defendants.

11. Pursuant to Rule 92 of the Texas Rules of Civil Procedure, the Baker Hughes Defendants assert a general denial in connection with NRG's Petition.

12. Pursuant to Rule 94 of the Texas Rules of Civil Procedure, Baker Hughes asserts that all or part of NRG's claims in its petition are barred by the applicable statutes of limitation.

13. For further affirmative defense, the Baker Hughes Defendants will show that all of NRG's causes of action are barred by the equitable doctrine of laches.

14. The Baker Hughes Defendants assert that NRG's claims arising out of alleged oral or written agreements fail due to a want of consideration, or alternatively, a failure of consideration in whole or in part.

15. The Baker Hughes Defendants also assert that some or all of NRG's causes of action fail because the person or persons who entered into any written or oral agreement with NRG, including but not limited to the agreements attached as "Group Exhibit A" to Plaintiff's Original Petition, do not have the actual or apparent authority to bind some or all the defendants to the terms of any such agreement.

16. For further affirmative defense, the Baker Hughes Defendants would show that NRG has failed mitigate its alleged damages.

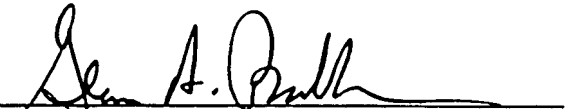
17. For additional affirmative defense, the Baker Hughes Defendants would show that NRG has waived the claims asserted in its petition, or alternatively, is estopped from asserting some or all of these claims.

WHEREFORE, PREMISES CONSIDERED, the Baker Hughes Defendants pray that upon trial or other final hearing of this matter that Natural Reserves Group, Inc., take nothing by reason

of this action, and the Baker Hughes Defendants request recovery of their costs of court together with such other and further relief to which they may show themselves justly entitled.

Respectfully submitted,

Bracewell & Patterson, L.L.P.

By: 

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Attorneys for Defendants


CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served on all counsel of record by facsimile, certified mail, return receipt requested and/or hand delivery on the 29th day of July, 1996.

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NO. 96-31380

NATURAL RESERVES GROUP, INC.,	§	IN THE DISTRICT COURT OF
	§	
Plaintiff,	§	
	§	
v.	§	HARRIS COUNTY, TEXAS
	§	
BAKER HUGHES INCORPORATED, et al	§	
	§	
Defendants.	§	190TH JUDICIAL DISTRICT

ORDER GRANTING SPECIAL EXCEPTIONS

BE IT REMEMBERED that on this date came on for submission the Special Exceptions contained in Defendant's Original Answer, and the Court, having reviewed same, finds that these Special Exceptions should be **GRANTED**; accordingly, it is

ORDERED that the Special Exceptions to Plaintiff's Original Petition contained in Defendant's Original Answer are hereby **GRANTED**; and it is further

ORDERED that Plaintiff shall replead to respond to the Special Exceptions in Defendant's Original Answer on or before the ___ day of _____, 1996.

SIGNED this the ___ day of _____, 1996.

JUDGE PRESIDING